



September 29, 2014

**VIA ECFS**

Marlene H. Dortch, Esq.  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

**Re: WC Docket No. 12-375 - Notice of Ex parte Communication**

Dear Ms. Dortch

Network Communications International Corp. ("NCIC") hereby responds to a proposal filed by three inmate calling services ("ICS") providers in the above-referenced proceeding (hereinafter the "Proposal").<sup>1</sup> The proposal purports to lower rates yet imposes an 8 percent increase for validation, and maintains the current market rate for transaction or deposit fees, although they are much higher than many providers currently charge. The ultimate result will not lower prices to inmate families. In its meetings with FCC commissioners and staff, NCIC has previously agreed to the rates of \$.21 for debit and \$.25 for collect calls and has proposed that the FCC mirror the recent Alabama Public Service Commission decision to cap transaction/deposit fees, money transfer fees and convenience or premium payment products.<sup>2</sup>

Below is a list of the fees that the Alabama PSC has permitted and the proposed caps:

- \$5.95 transaction/deposit fee using a live account representative
- \$3.00 transaction/deposit fee using an IVR, website or kiosk
- \$5.99 per call cap on Convenience/Premium payment products
- \$2.95 Bill Statement Fee for third party billing on LEC phone bills or direct billing.

These fees are less than half as much as those in the Proposal, result in lower "non-commissionable" revenue to the inmate phone providers, stimulate the establishment of more

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<sup>1</sup> See Letter to Chairman Tom Wheeler and Commissioners Mignon Clyburn, Jessica Rosenworcel, Ajit Pai and Michael O'Reilly from Global Tel\*Link Corporation, Securus Technologies, Inc. and Telmate, LLC, WC Docket 12-375 (September 15, 2014).

<sup>2</sup> See Notice of Ex parte Communication from NCIC, WC Docket No. 12-375 (July 9, 2014); see also Alabama Public Service Commission Further Order Adopting Revised Inmate Phone Service Rules, Docket 15957 (July 7, 2014).



accounts and increase the number of phone calls between the inmates and their families. These fees are also high enough to allow cost recovery of live operator time, credit card fees and toll-free number transmission/kiosk costs. The Alabama PSC also addressed premium payment products, such as Text Collect, whereby a third party bills for the call at rates much higher than the capped rates and pays the ICS a commission. These ancillary fees and third party products allow providers to pay commissions that appear to be as high as 96%, yet in reality, only result in about a 40% commission of actual billed revenue paid back to the jails.

Additionally, the FCC should not attempt to regulate or cap commissions paid to jails. Such caps will result in other incentive programs, which benefits the larger ICS providers who can offer other non-telecom products to win the business. The companies pushing to eliminate or cap commissions are those with the highest fees. The Proposal is not in the best interest of inmates, families and the jails. Eliminating or limiting commissions will hurt the jails as they do have to recover costs to offer the privilege of phone services to the inmates and manage the phones, call recordings and transport inmates to and from phones. By capping rates, fees and single call products, the FCC is effectively reducing commissions to jails by more than 90 percent. For example, previously a 15 minute call could cost as much as \$17 with a 96 percent (or \$16.22 per call); in the current market a prison/jail that receives a 50 percent commission of a \$3.15 call will receive \$1.58 per call to recover the administrative costs of the jail to provide phone services to the inmates.

Please direct any questions regarding this matter to the undersigned.

Respectfully submitted,

By: \_\_\_\_\_ /s/  
William Pope, President  
*Network Communications International Corp.*